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VERSION

FROM: CLIFTON

TO : CMDR SHEPARD FOR THE PRESIDENT

CITE: CAP5203-61

PRESIDENTS INTELLIGENCE CHECKLIST

1. BERLIN. AS OF THIS MORNING, TRAFFIC ON THE AUTOBAHN INTO BERLIN REMAINED NORMAL, DESPITE THE WIDE CURRENCY YESTERDAY OF RUMORS THAT CLOSURE BY THE EAST GERMANS WAS IMMINENT. WE BELIEVE THE RUMORS CAN BE TRACED TO A REMARK CREDITED TO AN EAST GERMAN POLICEMAN THAT THE "BORDER CROSSING IS TO BE CLOSED, IN THE NEAR FUTURE." IF SUCH A STEP WERE, IN FACT, TAKEN THE EAST GERMANS WOULD MOST LIKELY ALLEGE THE NEED FOR REPAIRS, AS FOR EXAMPLE, ON THE ELBE RIVER BRIDGE NORTH OF MAGDEBURG. THEY HAD ALREADY INDICATED

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IN PRIVATE DISCUSSIONS WITH WEST GERMANS THEIR INTENTION TO MAKE SUCH REPAIRS SOMETIME THIS FALL.

BOTH MAYOR BRANDT AND THE WEST BERLIN PRESS HAVE REGISTERED THEIR SATISFACTION WITH THE STEPS TAKEN BY THE US AMBASSADOR DOWLING DESCRIBES THE VICE PRESIDENT'S VISIT AS AN OVERWHELMING SUCCESS--THE MOST SIGNIFICANT EVENT IN BERLIN HISTORY SINCE LIFTING OF THE BLOCKADE. MOSCOW HAS REACTED WITH PREDICTABLE INDIGNATION, BUT THE EAST GERMANS HAVE ASSUMED A STUDIED DISDAIN.

THERE HAS BEEN LITTLE CHANGE IN THE SITUATION IN EAST BERLIN. US MISSION OFFICERS ON 18 AUGUST NOTED TWO LARGE TANK PARKS IN THE CENTER OF THE CITY, BUT OBSERVED FEWER UNIFORMED PERSONNEL THAN EARLIER LAST WEEK. THERE HAVE BEEN INDICATIONS, HOWEVER, THAT THE REGIME IS PLANNING AN EARLY CURRENCY REFORM.

2. MOSCOW'S DISPLAY OF "CENTO DOCUMENTS." OUR EMBASSY SEES THE PROPAGANDA SHOW STAGED LAST FRIDAY AROUND THE PURPORTED EVIDENCE OF CENTO AGGRESSIVENESS AS SERVING SEVERAL PURPOSES:

(A) EXTENSION OF THE DRAMATIC THREATS OF NUCLEAR ATTACK MADE EARLIER AGAINST ITALY AND GREECE TO US MIDDLE EASTERN ALLIES;

(B) BOOSTING OF THE CAMPAIGN AGAINST FOREIGN BASES FOR THE BENEFIT OF THE UPCOMING NEUTRALIST CONFERENCE, AND,

(C) DISTRACTION FOR THE SOVIET PUBLIC FROM THE BERLIN BORDER CLOSING. (STATE CABLE)

#### NOTES

A. FRONDIZI, STILL UNDER FIRE FOR HIS MEETING WITH GUEVARA LAST FRIDAY, IS NOW PLANNING A RADIO REPORT TO THE NATION TONIGHT TO EXPLAIN HIMSELF. QUADROS, WHO AWARDED THE CUBAN A HIGH DECORATION ON THE FOLLOWING DAY, IS ALSO

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GETTING SOME STATIC, ESPECIALLY FROM THE BRAZILIAN MILITARY.

D. OUR MILITARY MISSION IN SOUTH VIETNAM MARKS UP THE 13-16 AUGUST OFFENSIVE AGAINST THE VIET CONG AS A WELL-MANAGED SUCCESS. A VIETNAM SOURCE REPORTS THAT DIEM HAS ORDERED ANOTHER OPERATION TO BEGIN ON THE 25TH OR 26TH.

D. LAST MINUTE OPINION STILL GIVES CHEDDI JAGAN THE EDGE IN TODAY'S BRITISH GUIANA ELECTIONS.

E. THE CHINESE COMMUNISTS ARE DOING CONSIDERABLE DIPLOMATIC LOBBYING AMONG THE NEUTRALISTS HOPING TO BLUNT ANTICIPATED INDIAN AND YUGOSLAV CRITICISM AT THE BELGRADE CONFERENCE.

F. A LONDON OBSERVER CORRESPONDENT HAS REPORTED THAT BOMB FRAGMENTS FOUND IN AN ANGOLAN VILLAGE BOMBED BY THE PORTUGUESE ON 29 JULY ARE STAMPED "PROPERTY OF THE US AIR FORCE."

THE DIRECTOR OF CENTRAL INTELLIGENCE